

205658

SIGNED

Charity No: 205658

**THE CLIFTON SUSPENSION BRIDGE
TRUST**

Report and Financial Statements

31 December 2003

No 6
ACCOUNTS
16 AUG 2004
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THE CLIFTON SUSPENSION BRIDGE TRUST

REPORT AND FINANCIAL STATEMENTS 2003

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THE CLIFTON SUSPENSION BRIDGE TRUST

TRUSTEES AND PROFESSIONAL ADVISERS

RESIDENT TRUSTEES

A R D McArthur (Chairman)
C Booy (Deputy Chairman)
D B Dawson (Chairman of Technical Committee)
N Ferguson
F Greenacre
A Perry
Dr J W Smith
T V Stanley (Chairman of Visitor Centre Committee)
D Walker

REPRESENTATIVE TRUSTEES

Councillor R Pyle (Bristol City Council)
Councillor H Roberts (North Somerset District Council)

BRIDGE MASTER

J Mitchell

VISITOR CENTRE MANAGER

M Rowland

CLERK TO THE TRUSTEES

T Baines
Howarth Clark Whitehill
Clifton Suspension Bridge
Leigh Woods
Bristol BS8 3PA

CONSULTING ENGINEERS

Howard Humphrey & Partners
Hill Part Court
Springfield Drive
Leatherhead
Surrey
KT22 7NL

STOCKBROKERS

Gerrard
40 Queen Square
Bristol
BS1 4QP

SOLICITORS

Meade King
11 Queen Square
Bristol
BS1 4NT

AUDITORS

Deloitte & Touche LLP
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP

CHARITY NUMBER

205658

THE CLIFTON SUSPENSION BRIDGE TRUST

TRUSTEES' REPORT

The Trustees have pleasure in presenting the financial statements on pages 6 to 17 for the year ended 31 December 2003.

History and work of the Trust

The Clifton Suspension Bridge was opened in 1864, and since then has spanned the Avon Gorge from Clifton to Leigh Woods. The Clifton Suspension Bridge Trust is established under the Clifton Suspension Bridge Act 1952, and is responsible for the ongoing maintenance and upkeep of the bridge, for making provision for exceptional repairs, and for considering the eventual replacement of the structure, should that become necessary.

During any single year there are approximately 4.5 million vehicle crossings, and the bridge has become an important part of Bristol's urban traffic network. Its continuing reputation as an internationally famous landmark is also well recognised.

Review of the year and Reserves policy

During the year ended 31 December 2003, toll income grew 20% to £878,807, arising from the increased toll of 30 pence charged from April 2003. In the year toll card crossings grew by 3.4%, but cash crossings fell by 17.8%, partly reflecting the unusually high numbers of crossings in 2002 whilst the Portway was closed. Overall, crossings fell by 8.5%. Investment income grew slightly to £197,207, but remains below 2001 levels.

The Trust's operating costs grew once again, by 5.0%, and remain over £1million per annum. The major contributory factors were a doubling of insurance premiums from £41,300 to £95,600, combined with continuing increases in salary and other costs. Compliance with health and safety and other regulations is also very expensive in all areas of the Trust's maintenance and capital programmes.

The major new projects which have taken place in 2003 are the installation of a new CCTV camera system, replacing the ladders in the inclined shafts securing the chains to the rock face, investigative work on the piers and abutments following the discovery of voids in 2002, and preliminary work towards the major stone conservation projects planned to commence in 2004.

Looking ahead there are a number of very major projects planned. These are primarily the investigation of the abutments and subsequent stone conservation work on the piers and abutments (£800,000), the installation of a new lighting system to celebrate the bi-centenary of Brunel's birthday in 2006 (£600,000), and bridge deck resurfacing (£250,000).

In addition, the existing visitor centre's lease ends during 2004, and plans are well advanced to build a new visitor and administration centre on the Clifton side of the bridge, allowing visitors for the first time to view the bridge's history and operations within sight of the bridge itself. Planning permission for the centre has been granted, and preliminary work is progressing.

As a result of a European Court of Justice ruling the Trust was notified by HM Custom and Excise that from 1 February 2003 tolls levied by non public bodies would be subject to VAT, and that this applied to the toll charge to use The Clifton Suspension Bridge. Following a successful appeal the Trust was notified by HM Custom and Excise on 1 October 2003 that it was accepted that the Trust was a body governed by public law and that tolls would not be subject to VAT. This applied retrospectively and at the year end no VAT liability existed in respect of the tolls.

Investment values have finally increased, by £573,640, but remain over £2million below 2000 levels. The majority (£500,000) of this growth has been allocated straight to the Major Repair Fund, which now stands at £5,090,000, well below the target value of 25% of the bridge's insured value of £35million, which would be £8.75million. The Trustees remain committed to building the Fund back towards this level.

THE CLIFTON SUSPENSION BRIDGE TRUST

TRUSTEES' REPORT (continued)

Investments

The management of the Trust's investments is delegated to the Investment Committee, advised by the Trust's stockbrokers, Gerrard. The Investment Committee meets quarterly and has established a mechanism to take more urgent decisions in the intervening period. Investment performance is monitored by this Committee using an independent benchmark provide by CAPS. During 2003 the value of the Trust's investments grew by 10.5%. The portion of the Funds advised by Gerrard returned 16.1% against a benchmark performance of 17.9 %.

Governance and Risk Management

The Governance of the Trust is carried out by the Trustees, the majority of whom ("Resident Trustees") are selected and appointed by a Nomination Committee of the existing Trustees, aiming to provide the Trust with a breadth of professional experience. In addition there are two Trustees appointed by the relevant local authorities ("Representative Trustees"). The Trust operates both in general meeting and through sub-committees. These are currently the Technical Committee, the Investment Committee and the Visitor Centre Committee.

During the year the Trustees concluded the preliminary risk assessment and are satisfied that the major risks to which the Trust is exposed, in the opinion of the Trustees, have been considered, and procedures put in place, where appropriate to mitigate the risks.

The Trustees wish to place on record their thanks to the Bridge Master, the Visitor Centre Manager and their staff for their hard work during the year.



Approved by the Chairman
on behalf of the Trustees

A R D McArthur

THE CLIFTON SUSPENSION BRIDGE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

United Kingdom law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the incoming resources and application of the resources of the charity during the financial year and of its state of affairs at the end of that period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- ensure compliance with the charity's governing documents, the trust deed and current statutory requirements
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ascertain its financial position and to ensure that the financial statements comply with the Charities Act 1993, the Charities (Accounts and Reports) Regulations 1995 and 2000 and the Trust Deed. They are also responsible for the system of internal control, safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE CLIFTON SUSPENSION BRIDGE TRUST

We have audited the financial statements of The Clifton Suspension Bridge Trust for the year ended 31 December 2003 which comprise the statement of financial activities, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's Trustees, as a body, in accordance with regulation 6 of The Charities (Accounts and Reports) Regulations 1995. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As described in the statement of Trustees' responsibilities, you are responsible as Trustees for the preparation of the financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you. We have been appointed as auditors under s43 Charities Act 1993 and report in accordance with regulations made under s44 of that Act.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993, Regulation 3 of the Charities (Accounts and Reports) Regulations 1995 and 2000 and the trust deed.

We read the Trustees' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

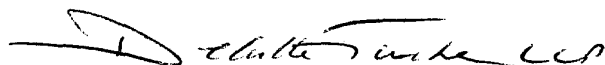
Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the charity's state of affairs as at 31 December 2003 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993, Regulation 3 of the Charities (Accounts and Reports) Regulations 1995 and 2000 and the trust deed.



DELOITTE & TOUCHE LLP
Chartered Accountants and Registered Auditors
Bristol

27 May 2004

THE CLIFTON SUSPENSION BRIDGE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 December 2003

INCOME AND EXPENDITURE

	Note	General Funds £	Designated Funds £	Capital Funds £	Total Funds 2003 £	Total Funds 2002 £
Incoming Resources						
Activities for generating funds:						
Toll income		878,807	-	-	878,807	731,766
Investment income		197,207	-	-	197,207	189,652
Visitor Centre income		39,720	-	-	39,720	34,368
Total Incoming Resources		<u>1,115,734</u>	<u>-</u>	<u>-</u>	<u>1,115,734</u>	<u>955,786</u>
Resources Expended						
	3					
Direct charitable expenditure		(1,014,861)	-	-	(1,014,861)	(952,281)
Other expenditure:						
Management and administration of the charity		(55,644)	-	-	(55,644)	(65,463)
Total Resources Expended		<u>(1,070,505)</u>	<u>-</u>	<u>-</u>	<u>(1,070,505)</u>	<u>(1,017,744)</u>
Net Incoming Resources	2	45,229	-	-	45,229	(61,958)
Transfers between funds						
		(500,000)	500,000	-	-	-
		(454,771)	500,000	-	45,229	(61,958)
Other recognised gains and losses						
Realised and unrealised gains on investment assets						
		588,731	-	-	588,731	(1,427,550)
Net movement in funds		<u>133,960</u>	<u>500,000</u>	<u>-</u>	<u>633,960</u>	<u>(1,489,508)</u>
Fund balances brought forward at 1 January 2003						
		(110,717)	5,590,000	60,008	5,539,291	7,028,799
Fund balances carried forward at 31 December 2003	4	<u>23,243</u>	<u>6,090,000</u>	<u>60,008</u>	<u>6,173,251</u>	<u>5,539,291</u>

All results relate to continuing activities.

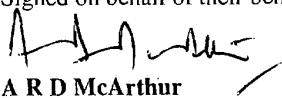
THE CLIFTON SUSPENSION BRIDGE TRUST

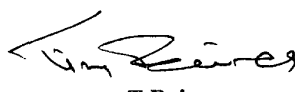
BALANCE SHEET 31 December 2003

	Note	2003		2002	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		175,468		145,689
Investments	8		5,985,805		5,412,165
			6,161,273		5,557,854
CURRENT ASSETS					
Stocks	9	4,034		9,693	
Debtors	10	20,686		40,032	
Cash at bank and in hand		330,634		231,203	
		355,354		280,928	
CREDITORS: amounts falling due within one year	11		(343,376)		(299,491)
NET CURRENT ASSETS/(LIABILITIES)			11,978		(18,563)
NET ASSETS			6,173,251		5,539,291
 FUNDS					
Expendable Endowment Fund					
Capital Fund	4		60,008		60,008
Other Reserves					
Designated funds	4		6,090,000		5,590,000
General funds	4		23,243		(110,717)
			6,173,251		5,539,291

These financial statements were approved by the Trustees on 2 March 2004

Signed on behalf of their behalf by:


A R D McArthur
Chairman


T Baines
Clerk to the Trustees

THE CLIFTON SUSPENSION BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2003

1. ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis of accounting, modified to include the revaluation of certain assets. The accounts have been prepared in accordance with the Charities SORP 2000 and in accordance with applicable accounting standards in the United Kingdom.

Tangible Fixed Assets

The Trust treats as fixed assets the land, buildings and structure of the suspension bridge which were taken over from the Clifton Suspension Bridge Company on 1 January 1953, together with additions since that date. No depreciation is provided on these assets as, in the opinion of the Trustees, the asset is historical and its economic life is so long, that any depreciation charged would be immaterial. Further more, no depreciation has been charged on those items purchased for exhibition in the Visitor Centre and elsewhere, of which in the opinion of the Trustees, the residual value is expected to equal or exceed the cost as shown in the accounts. Non 'bridge' assets are depreciated to write off the costs of fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

The Bridge Centre (New Visitor Centre)	0% (capital work in progress)
Visitor Centre Costs	Life of lease
Exhibits	0%
Office and computer equipment	20% - 33 1/3%
Motor vehicles	33 1/3%

Capital Fund

The balance on the capital account represents the net book value of the assets taken over from the Clifton Suspension Bridge Company on 1 January 1953. The Trustees view this fund as a capital endowment fund as they are not able to dispose of the major assets therein.

Unrestricted funds: Designated and General funds

Section 53 of the Clifton Suspension Bridge Act 1952 requires the Trustees to establish and build up reserve funds to be available to:

- i) be used towards the costs of replacing, renewing, improving or extending the bridge; and
- ii) to cover short term deficiencies in income.

The Trustees have traditionally recognised these two elements by:

- i) designating a major repair fund to deal with major repair or renewal products. The Trustees are seeking to build the level of this Major Repair Fund progressively to 25% of the basic insured value of the bridge structure. The level of the fund currently stands at £5.09 million or 14.5% of the basic insured value, with the insurance valuation currently standing at £35 million.
- ii) Holding general funds sufficient to cover short-term deficiencies in income as and when they arise.

In 2002 a designated fund of £1million was set aside to deal with the new Bridge Centre project.

Investment Income

Dividend income from investments is included as income of the year in which it is received.

THE CLIFTON SUSPENSION BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2003

1. ACCOUNTING POLICIES (continued)

Investments

Listed stocks and shares are shown at middle market value at the balance sheet date. The surplus or deficit arising on each annual valuation is credited or debited direct to the Statement of Financial Activities.

The net book profit or loss on realisation of investments is arrived at by comparing the consideration with the market value at the previous year end or the cost if the investments were purchased during the year.

Stock

Stock represents both the cost of history booklets held for resale at the year end and goods for resale at the Visitor Centre. Provision has been made where necessary for obsolete or slow moving stocks.

Taxation

As a registered charity, the Trust is potentially exempt from taxation on its income and gains to the extent that they fall within section 505 of the Income and Corporation Taxes Act 1988 and section 256 of the Taxation and Chargeable Gains Act 1992. No tax charge has arisen in the year.

Cash flow statement

The Charity qualifies as a small charity under the terms of FRS1. As a consequence it is exempt from the requirement to publish a cash flow statement.

Resources expended

All direct and support costs of the Charity's operations have been shown under direct charitable expenditure. Expenditure on the management and administration of the Charity has been separately identified.

2. NET INCOMING RESOURCES

	2003	2002
	£	£
Net incoming resources is arrived at after charging:		
Depreciation	32,517	31,140
Rentals under operating leases:		
Land and buildings	14,124	14,000
Trustees' Indemnity Insurance	2,048	1,785
Auditors' remuneration – audit services	4,800	5,400
	<u> </u>	<u> </u>

THE CLIFTON SUSPENSION BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2003

3. TOTAL RESOURCES EXPENDED

Charity	Staff Costs £	Depreciation £	Other costs £	Total 2003 £	Total 2002 £
Direct Charitable Expenditure	459,210	32,517	523,134	1,014,861	952,281
Management and administration of the charity	-	-	55,644	55,644	65,463
	<u>459,210</u>	<u>32,517</u>	<u>578,778</u>	<u>1,070,505</u>	<u>1,017,744</u>

4. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Capital Funds £	Total Funds £
Fund balances at 31 December 2003 are represented by			
Tangible fixed assets	128,549	46,919	175,468
Investments	5,985,805	-	5,985,805
Current assets	342,265	13,089	355,354
Current liabilities	(343,376)	-	(343,376)
	<u>6,113,243</u>	<u>60,008</u>	<u>6,173,251</u>

Unrealised losses included above

On investment assets (see below) 430,225

Total unrealised losses at 31 December 2003 430,225

Reconciliation of movements in unrealised gains on investment assets

Unrealised losses at 31 December 2002 1,075,191

Deduct gains in respect of disposals in year (96,226)

978,965

Add net gains arising on revaluation in year (548,740)

Unrealised losses at 31 December 2003 430,225

THE CLIFTON SUSPENSION BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2003

5. INFORMATION REGARDING TRUSTEES AND EMPLOYEES:

Employee costs during the year:

	2003	2002
	£	£
Wages and salaries	409,343	368,594
Social security costs	29,617	26,157
Pension costs	20,250	19,254
	<u>459,210</u>	<u>414,005</u>
Average number of persons employed:	No.	No.
	<u>25</u>	<u>19</u>

In accordance with the Clifton Suspension Bridge Act 1952, the Trustees were entitled to receive fees for attending meetings. Total fees for 2003 totalled £nil (2002: £57).

Within the amount of £5,472 (2002: £5,382) of expenses incurred in respect of Trustees duties, out of pocket expenses totalling £227 were paid in 2003 to three Trustees relating to the recharge of telephone, dining and travel expenses (2002: £nil) The remainder being general expenses not paid to any one Trustee. There are no employees with emoluments in excess of £50,000 during the financial year.

6. PENSIONS

The Charity contributes to the Avon Pension Fund administered by Bath and North East Somerset Council on behalf of its employees. Contributions are paid at a rate of 5.2% of salary, and amounted in 2003 to £20,250 (2002: £19,254). The Charity pays contributions in accordance with the recommendations of the scheme's actuaries. The pension fund is a defined benefit scheme providing pension and lump sums at retirement based on final salary and length of service. The latest actuarial valuation was at 31 March 2001 and showed the scheme to be 99.4% funded based on the assumptions made. A further valuation is being carried out at 31 March 2004. The scheme is a multi-employer scheme as defined by FRS 17 and accordingly is exempt from certain of the detailed disclosure therein.

THE CLIFTON SUSPENSION BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2003

7. TANGIBLE FIXED ASSETS

Group	Clifton Suspension Bridge Land and Buildings £	The Visitor Centre £	Visitor Centre £	Motor vehicles £	Computer and office equipment £	Total £
Cost						
At 1 January 2003	46,919	65,837	123,007	-	14,767	250,530
Additions	-	54,882	-	4,423	2,991	62,296
Disposals	-	-	-	-	(8,548)	(8,548)
At 31 December 2003	<u>46,919</u>	<u>120,719</u>	<u>123,007</u>	<u>4,423</u>	<u>9,210</u>	<u>304,278</u>
Depreciation						
At 1 January 2003	-	-	92,227	-	12,614	104,841
Charge for the year	-	-	28,764	1,474	2,279	32,517
Disposals	-	-	-	-	(8,548)	(8,548)
At 31 December 2003	<u>-</u>	<u>-</u>	<u>120,991</u>	<u>1,474</u>	<u>6,345</u>	<u>128,810</u>
Net book value						
At 31 December 2003	<u>46,919</u>	<u>120,719</u>	<u>2,016</u>	<u>2,949</u>	<u>2,865</u>	<u>175,468</u>
At 31 December 2002	<u>46,919</u>	<u>65,837</u>	<u>30,780</u>	<u>-</u>	<u>2,153</u>	<u>145,689</u>

All assets of material value are held for use on a continuing basis in the charity's activities. The Trustees do not consider it practicable to segregate assets used for direct charitable purposes and those used for other purposes.

The Clifton Suspension Bridge Act 1986 requires that sums expended by the Trust on a Visitor Centre be recorded in the Trust's annual accounts and made good as soon as reasonably practicable, at any event within 60 years from its date of application, together with interest. Sums incurred to date are shown below (excluding capital spend to date on the Bridge Centre):

	£
Capital expenditure	111,661
Net revenue expenditure	
2003	20,385
1999-2002	<u>152,985</u>
Memorandum account total	<u>285,031</u>

THE CLIFTON SUSPENSION BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2003

8. FIXED ASSET INVESTMENTS

	Listed Investments and Unit Trusts £	Charity property fund £	Short term deposits £	Total £
Market value 1 January 2003	4,481,571	250,000	680,594	5,412,165
Additions	756,492	-	-	756,492
Disposals	(587,693)	-	(143,899)	(731,592)
Net unrealised investment gains	542,078	6,662	-	548,740
Market value 31 December 2003	<u>5,192,448</u>	<u>256,662</u>	<u>536,695</u>	<u>5,985,805</u>
Historical cost as at 31 December 2003	<u>5,629,335</u>	<u>250,000</u>	<u>536,695</u>	<u>6,416,030</u>
Investment income derived from the above	<u>166,133</u>	<u>15,849</u>	<u>15,226</u>	<u>197,208</u>

No single investment is held.

9. STOCKS

	2003 £	2002 £
Goods for resale	4,034	9,693

10. DEBTORS

	2003 £	2002 £
Sundry debtors	7,508	9,516
Prepayments	13,178	30,516
	<u>20,686</u>	<u>40,032</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Deferred income: -		
Receipts in advance re. Proximity cards	275,044	213,193
Sundry creditors	56,929	75,603
Inland Revenue	11,403	10,695
	<u>343,376</u>	<u>299,491</u>

THE CLIFTON SUSPENSION BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2003

12. OPERATING LEASE COMMITMENTS

At 31 December 2003 the charity was committed to making the following payments during the next year in respect of operating leases:

Land and buildings:	2003	2002
	£	£
Leases which expire:		
Within one year	-	-
Within two to five years	-	14,000
	<u>-</u>	<u>14,000</u>